



The CIEDEC Quarterly

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CIEDEC Meetings
are on the
3rd Wednesday
of the Month

- August 17, 2005
- November 16, 2005

The California Inland Empire Welcomes Secretary of Commerce Carlos Gutierrez

Carlos M. Gutierrez is the 35th Secretary of the U.S. Department of Commerce, the voice of business in government. The former chairman of the board and chief executive officer of the Kellogg Company, Secretary Gutierrez is a core member of President Bush's economic team. In nominating Mr. Gutierrez, President Bush said, "He understands the world of business, from the first rung on the ladder to the very top. He knows exactly what it takes to help American businesses grow and to create jobs."

Secretary Gutierrez oversees a diverse Cabinet agency with some 38,000 workers and a \$6.5 billion budget focused on promoting American business at home and abroad. His

Continued on page 8



Carlos M. Gutierrez
Secretary of Commerce

Source: www.commerce.gov

Focus on Success: CIEDEC Member Cabo Yachts



Cabo Yachts is the recipient of the Export Achievement Award 2004 and the CIEIBA Exporter of the Year Award 2004. Vice President Greg Bourque is a CIEDEC member.

CABO® Yachts, designer and manufacturer of high-end sportfishing boats, was established in 1991 and is located in the rural California 'high desert' community of Adelanto where it employs about 300 local craftsmen and has the distinction of being the area's largest employer. Cabo has worked with the Inland Empire U.S. Export Assistance Center's (IEEAC) Director Fred Latuperissa to expand the firm's product sales overseas since 1995. Cabo Yachts has achieved great advances in exporting.

Continued on page 3



Jacquelyn Hayes-Byrd
GDI Executive Director



Learn more
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Initiative at:
[www.buyusa.gov/
globaldiversity](http://www.buyusa.gov/globaldiversity)

VISIT



**CIEDEC's
website at:**

www.ciedec.org

World Trade Week Luncheon: May 26th, 2005

Keynote Speaker: Jacquelyn Hayes-Bird

In April of 2004, Jacquelyn Hayes-Byrd became the New Executive Director for the Global Diversity Initiative (GDI) with the International Trade Administration, Commercial Services Division at the U.S. Department of Commerce. Under her leadership, the Department will work to build and deliver world-class federal programs that will help women-owned, minority-owned and small businesses take advantage of emerging trade opportunities.

Jacquie became the new Director for the Management Support Division in the Overseas Buildings Operations, a bureau of the United States Department of State on April 15, 2001. She was responsible for the organization and development of the Security Management, General Services Management and Administrative Support Management Branches.

She went to work at the White House on March 5, 2001, for the Office of White House Management and Administration as the Director of White House Management. In December 2001, she was asked to take on additional responsibility by managing the offices of the White House Personnel, Travel, Visitors and Photography. She also exclusively managed the White House budget and maintained the direct oversight of the White House Budget and all Presidential and First Lady Expenditures.

Jacquie implemented "Team Watts" during the 2000 Presidential election. Designed by Congressman J.C. Watts, this grassroots effort mobilized leaders in key congressional districts across the United States to stimulate new Republican and non-traditional voters to help maintain the House Majority. Earlier, she was appointed Director of Administration and Human Resources for the 2000 Republican National Convention, Philadelphia, PA, in October 1999 to September 2000.

For five years prior to that appointment, she served in Governor Christine Todd Whitman's administration as a Special Assistant, Division of Student Services, New Jersey Department of Education. Prior to this, she was a member of the executive staff of the New Jersey Board of Public Utilities as Director of Administration from 1994-97.

In 1992, Jacquie completed a 10-year career in the U.S. Air Force, rising to the rank of Captain and is now a Major in the In-active Reserves.

Jacquelyn Hayes-Byrd was born into a military family at the Marine Corps Base in Camp Lejeune, North Carolina. Her father completed a distinguished 30-year career in the Marine Corps. In 1982, she completed her bachelor's degree in Special Education at Bennett College, Greensboro, North Carolina, and received her U. S. Air Force Commission at North Carolina AT&T State University. She completed her Master's degree in Public Administration from Troy State University, Alabama, while on the school's satellite campus of Royal Air Force (RAF) Base, Alconbury, United Kingdom.

She and her husband, David, live in Upper Marlboro, Maryland.

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Hosts of the May 26th
World Trade Week Luncheon

On the Move: CIEDEC Member Mark Stanley

Not many people can say that they have been associated with MicroCool for over twenty years, but Mark Stanley is one of them! Mark is the Export Sales Manager for MicroCool and has traveled with MicroCool to every continent and many countries over the years. As an Englishman by birth, his first involvement with MicroCool was for a system in Southern England.

Moving to Italy in 1989, Mark worked for a MicroCool dealer and then became European Operations associate in 1992. With European costs skyrocketing in the early 90's Mark came to Southern California in 1993 and (apart from a two year hiatus) has been with MicroCool ever since. There are times when Mark's knowledge get the better of him as he



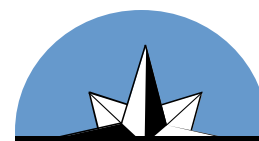
remembers things that have happened FAR too long ago. Well known in the Middle East and elsewhere he counts many MicroCool customers as his friends and exchanges family occasions with them all. His enthusiasm for the export business goes with him every day as he drives his car to the office with INTFOG (International Fog) on the license plate.

Mark is also closely involved with the US Department of Commerce (now that he is a citizen) to promote exporting from the USA. Until 2004, Mark was Chairman of the Inland Empire District Export Council—directly appointed by US Secretary of Commerce, Don Evans, he still serves on as Immediate Past Chairman.

Visit www.microcool.com



Mark Stanley
CIEDEC Past-Chairman



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91764

or visit:
www.ciedec.org

CABO YACHTS, continued from page 1

The IEEAC recruited client's participation in several DOC certified trade missions and encouraged the firm to advertise in the Commercial News USA magazine. As a result, Cabo identified buyers for their pleasure crafts in Italy, Greece, and Mexico. Cabo continues to work with the U.S. Foreign Commercial Service to determine the credibility of potential buyers and assist the company in interpreting international regulatory procedures. Cabo was the recipient of the 1998 *U.S. Small Business National Export of the Year Award*.

Since 2001, International Trade Specialist Eduard Roytberg has been actively working with Cabo Yachts in developing the company's export strategy. This was followed in 2003 by Cabo Yachts largely credits the consistent assistance provided by the Inland Empire USEAC for its export successes and recently reported an

increase-to-market sales in Norway, Australia, Italy, South Africa, Brunei, and Singapore in 2002-2004.

On May 21st, 2004, the U.S. Department of Commerce presented Cabo Yachts, Inc. with an *Export Achievement Certificate*. The award was presented by Mr. Daniel Bloom, the senior official of the U.S. Department of Commerce's International Trade Administration office in Washington, D.C.

Cabo Yachts also received the Exporter of the Year from the California Inland Empire International Business Association (CIEIBA) in May 2004.

Mr. Greg Bourgue, Cabo's Vice President of Sales, was recently recognized as a member of the California Inland Empire District Export Council by the Commerce Under Secretary Grant Aldonas at the 2004 Annual District Export Council Conference in Memphis, Tennessee.

Visit: www.caboyachts.com



Carlos Valderrama
Executive Director,
Carlsmith Ball, LLP



CAFTA-DR

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Guatemala
Honduras
Nicaragua
Dominican
Republic



A Call to Members of the U.S. Congress

Support the Passage of the Central American Free Trade Agreement

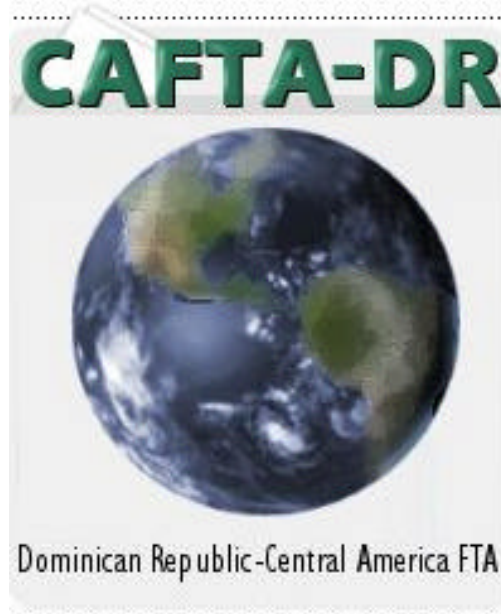
By Carlos J. Valderrama, CIEDEC Member

The negotiations regarding the Central American Free Trade Agreement (CAFTA) were finalized in August 2004. Government representatives from Costa Rica, Honduras, Nicaragua, El Salvador, Guatemala, the Dominican Republic, and the United States of America concluded that this agreement is beneficial to citizens of these countries, and others in the Americas. The next step is the approval of the agreement by the U.S. Congress, hopefully, expected sometime in 2005.

A report released by the U.S. Trade Representative (USTR), the leading U.S. negotiating team, indicates that "President Bush set us on the course by calling for a free trade agreement between the United States and Central America, declaring that free markets, development, opportunity, and hope are the best weapons against poverty, disease, and tyranny".

During the last decades, Central America was politically unstable and economically ruined. Today, this region is poised to bloom due to the silent economic and political transformation fueled by the desire for democracy, better education, and higher standard of living for future generations.

The Inland Empire [region of Southern California] is committed to assisting Central Americans reach these goals by encouraging the California Congressional Delegation to approve the passage of the CAFTA. This desire is not sentimental, but rather, driven by economic interests. The agreement is going open more doors to conduct additional international commercial



exchanges and investment with Central American firms and consumers.

The Inland Empire is growing and being transformed by many economic forces. One of these forces is international trade and investment. The U.S. Department of Commerce estimates that companies in the Inland Empire generate about \$2 billion in international trade.

There is no question that this agreement will bring additional economic gains to the Inland Empire. The USTR indicates that CAFTA will become the second-largest U.S. export market in Latin America, behind only Mexico, buying more than \$15 billion in U.S. exports.

Members of Congress, the passage of CAFTA will allow and encourage the private sector to sell more products and services to a growing region in the Americas.

www.carlsmith.com

Tax Reprieve for Smaller Exporters

By Don Driftmier, CIEDEC Member, Partner and CPA

The largest tax break in history for Smaller Exporters was passed by congress in 2003. Though this legislation was mostly unnoticed at the time, it provides relief for those exporters structured as Pass Through Entities.

When the Foreign Sales Corp./ ETI tax benefits were repealed, many exporters were faced with the antiquated tax structure from the seventies. By setting up an Interest-Charge Domestic International Sales Corporations (IS-DISCs), exporters are allowed to deduct and pay up to 50% of their export profits to non taxable IS-DISCs. The IS-DISCs then distribute the profits to shareholders as dividends that are taxed at the rate of 15% under the 2003 legislation.

The result is that the repealed tax benefits averaging 3.675% are

replaced by a 10% benefit for Smaller Exporters. Businesses do not have to wait until 2006-7 either, these benefits are available on all shipments made on or after the date of formation. In addition, the previous limit of \$10 million in Export Sales does not apply to the new tax reduction. www.vtdcpa.com



Don Driftmier
Partner and CPA
Vavrinek, Trine, Day and
Co., LLP

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Dean Carson
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sales.com](http://www.transit-sales.com)**
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information!

Transit Sales International (TSI) specializes in supplying high-quality, heavy-duty U.S. city transit-style buses to customers throughout the world. Headquartered in Riverside, California with additional facilities in Murrieta, California, Transit Sales International and its affiliated companies have been serving the bus industry for over 50 years. TSI knows the bus industry from fixed route service, short and medium-term leasing and to complete remanufacturing and bus sales. A large standing inventory makes TSI ideal for export customers requiring immediate availability of large bus fleets.

In 2004, TSI shipped its first order of 50 buses to Nigeria in Africa with the assistance from U.S. Department of Commerce, International Trade Administration, US Foreign and Commercial Service (USFCS) office in Lagos, Nigeria and the domestic Inland Empire US Export Assistance Center in Ontario, California.

TSI participated in the USFCS International Partner Search (IPS) and Gold Key Service (GKS). The IPS in Nigeria was completed in a timely and professional manner with real results. The USFCS were instrumental in arranging key

meetings with nearly 20 IPS candidates in and around Nigeria, as well as coordinating travel and insuring that TSI's visit to Nigeria was productive (and safe).

In addition to Nigeria, Brian Rippie, TSI Regional Sales Manager, has successfully opened up the market in Mexicali, Baja California Norte, Mexico. To date, TSI has shipped 80+ buses to Mexicali. TSI is positioned to be a key player in reshaping public transportation in Ciudad Juarez, Chihuahua, Mexico over the next 12 months.

TSI was recognized in 2001 by the Inland Empire U.S. Export Assistance Center and the California Inland Empire International Business Association (CIEIBA) as *Exporter of the Year*.

In December of 2002, Secretary of Commerce, Donald Evans appointed TSI President Dean Carson as a Member of The California Inland Empire District Export Council (CIEDEC).

Dean was honored in 2005 by the Small Business Administration (SBA) as *Regional Exporter of The Year*. TSI was cited as an excellent example of how a small business can grow through international sales and have a bigger impact on our nation's economy.



National DEC News

National DEC Steering Committee Report

The National DEC Steering Committee met in Washington, DC earlier this month. At the meeting, Director General Rhonda Keenum and CIEDEC Chair, Lori Van Arsdale, met with the Steering Committee. DG Keenum announced to the Steering Committee that the U.S. Commercial Service has set aside an office in the Ronald Reagan International Trade Building for the use of DEC members while on official DEC business in Washington, DC.

Upcoming Membership Cycle and DEC Handbook

- The upcoming new DEC term, January 1, 2006 through December 31, 2009, will be open for new member nominations this summer.
- The DEC Policy and Procedures Manual has been completed, a useful tool for all DEC members to carry out their duties and responsibilities.

National DEC Conference 2005 in D.C.

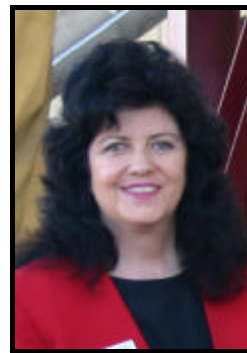
Save the date! Join your colleagues from around the country, international business professionals, trade organization representatives, and policy makers September 14 - 16 in Washington, D.C. for the 2005 National DEC Conference.



The INLAND EMPIRE REGION

The *Inland Empire* region of Southern California is defined as San Bernardino and Riverside counties, and a portion of eastern Los Angeles County. The two county area forms the largest Metropolitan Statistical Area (MSA) in the nation, and ranks as the 14th most populous MSA in the United States with approximately 28,000 square miles. If the Inland Empire were a state, it would rank 30th largest in terms of population (3 million) and 32nd largest in terms of total income (\$52 billion). Located in Ontario, California, the U.S. Department of Commerce, Inland Empire Export Assistance Center supports businesses from Pomona to Palm Springs and Temecula to Barstow. The region also supports over 3,000 manufacturers in industries such as the manufacturing of automotive and related equipment, housing, recreational vehicles, medical devices, and waste water treatment.

The *Inland Empire* is one of the fastest growing regions in the Western United States. Inc. Magazine's (March, 2004) *Annual ranking of the top spots in the country to conduct business* put the region second, behind only Atlanta. The region expects to increase in the next 20 years by approximately 1.5 million people, more than the growth forecast for all but five states. Some of the leading exports produced by this region are industrial chemicals, consumer goods, medical equipment/services, computer software services, agriculture equipment/services, automotive parts/services, computer and peripherals equipment/services, and architectural/engineering services.



Lori Van Arsdale
CIEDEC Chair



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SECRETARY, continued from page 1

Department gathers vast quantities of economic and demographic data to measure the health and vitality of the economy, promotes U.S. exports, enforces international trade agreements, regulates the export of sensitive goods and technologies, issues patents and trademarks, protects intellectual property, forecasts the weather, conducts oceanic and atmospheric research, provides stewardship over living marine resources, develops and applies technology, measurements and standards, formulates telecommunications and technology policy, fosters minority business development and promotes economic growth in distressed communities.

Opening international markets to U.S. companies to create jobs and build a stronger America is a top priority for Secretary Gutierrez. He believes passionately in President Bush's vision of a 21st century where America is the best country in the world with which to do business and where

everyone has the opportunity to experience the joy and pride of ownership and to live the American Dream. "We have the best people, we have the training, we have the culture," Gutierrez says. "I believe the 21st century is really and truly the American century."

Secretary Gutierrez was sworn into office on February 7, 2005. Born in Havana, Cuba in 1953, he came to the United States with his family in 1960. In 1975 he joined Kellogg as a sales representative. Rising to president and chief executive officer in 1999, he was the youngest CEO in the company's nearly 100-year history. In April 2000, he was named chairman of the board of Kellogg Company. Secretary Gutierrez studied business administration at the Monterrey Institute of Technology in Queretaro, Mexico. He and his wife, Edilia, have three children, Carlos, Erika and Karina.

Keep updated on news, events, and more at www.commerce.gov

Meet the Members

** denotes Executive Board*

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***Larry Sharp**

***Donald Driftmier**

***Fred Latuperissa**

***Mark Stanley**

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Rick Battistoni

Kathleen Bennett

Greg Bourque

Robert Bowen

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Jennifer Rausch

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Richard Stockton

Carlos Valderrama

Malia Vincent-Finney

Jeffrey Williamson

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Chief Executive Officer

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Chief Executive Officer

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Tribal Chairman

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Vice President

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